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FM AMEMBASSY BEIJING  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0385  
INFO RUEHOO/CHINA POSTS COLLECTIVE  
RUCNNSG/NUCLEAR SUPPLIERS GROUP COLLECTIVE  
RUEHIL/AMEMBASSY ISLAMABAD 6572  
RUEHNE/AMEMBASSY NEW DELHI 4386  
RUEHTV/AMEMBASSY TEL AVIV 2056  
RHEHNSC/NSC WASHDC  
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SENSITIVE  
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E.O. 12958: N/A

TAGS: [BEXP](#) [ENRG](#) [ETTC](#) [MNUC](#) [PARM](#) [PREL](#) [TRGY](#) [KNNP](#)  
SUBJECT: CHINA SHOWS INTEREST IN DETAILS OF 123 AGREEMENT  
WITH INDIA

REF: STATE 104171

¶1. (SBU) Emboffs met with MFA Department of Arms Control Nuclear Division Deputy Director Xia Tian to deliver reftel nonpaper and a copy of the U.S.-India Joint Statement regarding the United States-India Agreement for Peaceful Nuclear Cooperation (123 Agreement). DOE China Executive Director placed special emphasis on India's commitment under the 123 Agreement to establish a new civilian national enrichment facility under International Atomic Energy Agency (IAEA) safeguards dedicated to reprocessing safeguarded nuclear material. Emboffs urged Xia to treat the nonpaper as "NSG Confidential."

¶2. (SBU) Xia, using notes prepared in advance, slowly and deliberately commented that "While China in principle supports such international cooperation, there remains some divergence in the Nuclear Suppliers Group (NSG) for which time will be needed to discuss the details of this agreement. The next meeting of the NSG Advisory Group will be critical." Continuing to refer to his prepared notes, Xia then raised several concerns. Specifically, he asked:

--Does the Agreement include the transfer of enrichment or reprocessing technology or equipment?  
--What happens if India tests again?  
--Is the right-of-return written into the Agreement?  
--Will the Agreement be voted on by the U.S. Congress before being presented to the NSG Advisory Group?

Xia noted that discussions in the NSG could be "problematic" if the 123 Agreement is not first approved by the U.S. Congress. Emboffs were able to answer all questions on the basis of reftel guidance, the U.S.-India Joint Statement, and Under Secretary Burns' On-The-Record Briefing.

RANDT